

**Movement.**







# Coolidge Behind Big Business In Mexico, Rich Brokers Admit

The following is from a circular issued to investors last week by J. H. Goddard & Company, Stocks and Bonds, Boston, Mass.:

The outstanding market factor developed this past week has been the stand of President Coolidge on the Mexican-Nicaragua matter. Mr. Coolidge placed himself solidly behind big business. This must be very heartening to concerns like the United Fruit Company, Standard Oil, Pan-American Petroleum, and others having interests in Mexico and Central America.

The United Fruit Company has been spending money in the tropics for more than twenty years and for the last ten years it has been in the position of holding Central America in the palm of its hand—holding with a light grip it is true, but with a grip that tightens when necessity arises.

It must be reassuring to know that the Army and Navy of the United States are standing ready to protect American interests in Central America. It is a policy of this kind that has made the British Empire a world power and which has given British merchants command of world markets. Whenever a British commercial outfit goes out into the dark places of the world and appropriates a billion dollars' worth of raw materials the British Army and Navy are right there behind them and the bargain is always made to stick.

American pioneers of industry have in times past lacked this support from their government. Mr. Doheny went into Mexico and built a few hundred miles of modern highway for Porfirio Diaz and received in return twenty or thirty million dollars' worth of oil lands. Mr. Doheny undoubtedly feels that his interests are entitled to some protection and the same thing is true of other Americans holding oil and mineral concessions in Mexico.

The refreshing thing about Mr. Coolidge's message to Nicaragua, which is really a message to Mexico, is his naive frankness and the absence of patriotic ballyhoo. Mr. Coolidge merely states that American interests in Central America and Mexico will be protected.

As this is being written the Mexican situation is still up in the air. Almost anything may happen, but all the indications are that we are drifting rapidly towards hostilities with Mexico.

If the United States does get mixed up in war with Mexico there is nothing to worry about so far as the market is concerned. Prices might decline for a few days and the stocks of corporations with Mexican and Central American interests might have violent temporary recessions. On such recessions, stocks like United Fruit, Pan-American Petroleum, International Telephone, United States Smelting and the Standard Oil should be bought.

If President Coolidge means what he says in his message and his official utterances the stocks of big companies having interests in Mexico and Central America are bargains on any setbacks from present prices. United Fruit, by the way, earned nearly \$8 a share in 1926. It is paying \$4 a share and should eventually sell at \$150.

## NEWS AND VIEWS

### Mexico Puts Coolidge And Kellogg on Trial

Mexico's offer to submit her own laws to arbitration has put President Coolidge and Secretary of State Kellogg on trial before the world.

They have set themselves squarely against arbitration of the differences between the United States and Mexico over the Mexican land and oil laws.

The American president's stand is in striking contrast with that of President Calles of Mexico. The Mexican government has taken the very unusual attitude that it is willing to have the validity of its own laws enacted by the legal majority in Mexico questioned and arbitrated by an international tribunal.

President Coolidge has declared that private property rights of American citizens monopolizing the resources of Mexico cannot be arbitrated in the eyes of Coolidge it is all right to arbitrate the laws of another country applying to foreigners, but that the property rights of foreigners must not be arbitrated.

President Coolidge's arguments, as set forth in a news item in this issue of the Appeal, are both vicious and absurd. He says that all he is contending for is the prevention of the confiscation of American property in Mexico without compensation.

If President Coolidge is so sure that this principle is so eternally right, why does he not submit his own laws to an impartial world court?

The fact that Coolidge is not willing to permit the arbitration of this question convicts him of lack of faith in his own stand, or insincerity. If in the face of the Mexican offer he persists in refusing arbitration and war results the blood will be on the hands of President Coolidge.

Mexico has opened the way to peace. Mexico is willing to abide by the decision of an international body, even to the extent of modifying its own laws. If that body decides that it should do so. Beyond this, no country can go.

Mexico's generous offer has put Coolidge and Kellogg on trial before the world. If they persist in the administration's policy of coercion, intervention and war, they will be adjudged by all the civilized nations and civilized elements of the world as criminal disturbers of world peace, or the helpless tools of remorseless American imperialism, and every American citizen will be injured by this judgment of civilization.

### Lost: Twenty-Two Billion Dollars

Charles M. Ripley of the General Electric Company, Schenectady, N.Y., sends in corrections on American Appeal figures in an article in the Appeal, No. 20, headed, "Government Figures Explode Prosperity Myth." The Appeal article was headed to a man in Schenectady who is described as "a wizard at figures." His comment on the Appeal article is as follows:

### Radio Gag Foreshadowed By Coolidge Statement

Danger that a general radio gag on all opponents of the administration which happens to be in power may result from President Coolidge's statement calling for public and press support of his foreign policies was expressed January 17 in a letter to the President by the American Civil Liberties Union. The letter, signed by Dr. Harry F. Ward, chairman, called the President's message the "first step toward an official throttling of public opinion" and a "censorship by decree."

"Broadcasting stations operating under government license must apply, under pending legislation, for renewals of their licenses," states the letter. "A request from the chief executive to persons holding licenses issued by appointment of the chief executive by a member of his Cabinet, would almost inevitably be translated into an order to allow on the air no comment which failed to support the then existing administration. This would result in closing the air forever to any opponents of the incumbent administration." The President is urged to revoke his request and "revert to the good old conservative American principles of freedom of speech."

"The fundamental error in the attached clipping from the 'American Appeal' is, that no tax returns were filed in 1924 by married men whose net incomes were less than \$2,500 per year."

There were reported 2,413,881 incomes from \$1000 to \$2000, and 2,112,993 of from \$2000 to \$3000. The former figure includes no married men, and the latter only a small minority.

Instead of saying that at least fifteen million American families had to exist on less than \$1000 a year, the author should have said that at least fifteen million had to live on \$2,500 a year or less."

"The author says—and I think he is approximately right—that the income of all the people in the United States is around Sixty Billion Dollars a year."

"The total income reported on tax returns, as per his list, is about Twenty Six Billion. The difference between Sixty Billion and Twenty Six Billion goes to those who did not make tax returns. There are fifteen million such families, he says—and I agree with him. Thirty-four Billion divided between fifteen million families is nearly \$2,300 apiece, not 'less than \$1000 apiece'."

"The author overlooks the fact that married men with incomes of less than \$2,500 a year did not file income tax returns, but we cannot accept the conclusion of the critic that the richer one third of the American people receive 76 per cent of the national income, or an average of about \$3,600 per income, while the poorer two-thirds received 34 billions, or about \$2,300 per income."

There is no such even distribution of wealth evident in America as that. Every investigation by government departments, commissions or responsible private bodies, shows that this conclusion is absurd. The American Bureau of economic research reported after extensive investigations that 74 per cent of the incomes in the United States were less than \$1,600 in 1918. The Agricultural Department has reported an average net farmer income ranging from less than \$600 to \$750 since 1921. The Department of Labor reports as a result of a recent extensive survey that the average weekly wage of the American unskilled industrial worker is 40.8 cents per hour, or counting lost time, less than \$1,000 per year. Farm labor gets \$30 to \$45 per month. Male factory workers, according to recent investigations, get around \$27 a week, or counting overtime an average of not much more than \$1,000 per year.

Now there are 6 million farmer families, and the other classes listed here together are at least as numerous as the farmers. This would give us at least 12 million incomes out of the 15 millions representing the taxed incomes, and these 12 million incomes would certainly not average more than \$1,000 per year.

ALL OF THEM TOGETHER WOULD NOT AMOUNT TO MORE THAN 12 BILLION DOLLARS! This leaves 22 billion dollars for the remaining three million UNTAXED incomes, OR ALMOST AS MUCH AS THE SEVEN MILLION TAXED OWNERS REPORT.

Well, we know it isn't there. Where then is it?

It ought to be plain to any one that our ruthless plutocracy will not report all of its wealth to excite the envy and hostility of the people, and will not and does not have to pay all the taxes it owes to a government that it owns body and soul.

Government reports are valuable because even they admit enough to thoroughly damn the system.

Will We Pay the Price?

The American people who will pay the price in money and blood if we demand that the government avoid such a war if it can be avoided with honor.

They have a right to demand that reason be substituted for the present show of armed force.

American business men, who are all day paying the price in dollars and cents for the hatred aroused in Central America and South America, have a right to demand that the cause of this hatred be abated.

They have the right to demand that mediators take the place of marines in Nicaragua.

The way is wide open for reason to step in. Senator Borah, chairman of the Senate Foreign Relations Committee, has suggested that the oil land issue in Mexico—the secret of the whole dangerous situation—be submitted to arbitration. Mexico has agreed to this, even the her government can properly claim that it is a purely domestic question. The American government has ignored the subject, preferring to make its fight for certain American oil concerns in its own way—threats and slanders.

In Nicaragua the liberal government's foreign minister tells William Philip Simms that President Sacasa is ready to resign if Kellogg's president Diaz, will do the same and to have a new election supervised by the United States, Argentine, Brazil and Chile.

Why would end the difficulty in Nicaragua? It would remove the "necessity" for marines.

Still another opportunity has been offered. Costa Rica is ready to mediate between the Sacasa and Diaz factions. Sacasa says he will accept mediation. Diaz refuses.

Kellogg could change Diaz' mind in ten minutes by withdrawing, or announcing his intention to withdraw the marines. Diaz would then agree to any kind of mediation.

The state department has knowledge of all this. It knows of still other methods whereby reason could be substituted for the present blind-bullying and blustering. But it ignores them all.

It seems utterly determined to go thru with its program, no matter how many dollars it may cost, or how many lives.

Only an aroused public can bring the state department back to its senses.

### Need of Organization

(Continued from page 1)

The ruling masters of capitalism of themselves are not strong but pitifully weak and contemptibly vulnerable.

The despotic power they have exercised, as such power is always exercised, is not inherent in themselves or in their class at all, but is to be found in the ignorance, weakness and impotency of their unorganized and helpless workers who are dependent upon them for employment.

The task before us, therefore, is the economic and political organization, with all the education, enlightenment, discipline, and self-restraint this implies, of the working class.

The recruiting, awakening and coordinating of the workers in their own Industrial Grand Army, where they stand elbow to elbow in class consciousness, feeling themselves

multiplied many times by the magic of unity, and their spirits rising within them and finding expression in boundless enthusiasm in anticipation of the fulfillment of their ardent dream of emancipation, is the grandest work in which any human being ever engaged since the world.

To give one's self wholly and unreservedly to this cause is to be born again and to feel the new life bounding in one's veins and swelling into hope, courage, and self-reliance such as forever defy disappointment and defeat and stand unafraid before all the world.

To the extent that the workers are rightly organized and fitted to take their places in the new order as free and self-governing citizens of the collective commonwealth, the revolution will come in peace instead of the deluge of blood which has accompanied all the upheavals of the past.

We need not worry as to how to get rid of our exploiters once we know how to get along with ourselves.

With the workers organized as an industrial and political army, they could sweep peacefully into their own and all the power that now rules and curses the world would dissolve and fade away at their conquering approach.

The unity of the workers and how to accomplish it is the open sesame to the promised land.

Let us study the art of how to unite for our common good, and stop fighting among ourselves for our common destruction!

Let us bend all our energies to organize the workers industrially and politically and let minor differences take care of themselves.

The industrial revolution is compelling the industrial organization of the workers, and we have but to watch its progress and adapt our methods to the changing conditions.

Today craft unionism is outgrown and class unity along industrial lines is the demand!

And the industrial union and the political party of the workers, being of the same class and the same aim and aspiration, must inevitably be mutually conscious of each other, and the two separate entities must become one, work together reciprocally toward the common end.

### State Mill Saves Million in 1926

(Continued from page 1)

units capable of turning out 4,000 barrels of flour a day. During the active flour buying season about all the flour that one unit could produce because the market is not yet big enough to take a full capacity output. But the market is expanding rapidly.

The products are used extensively all over North Dakota. A growing market is developing in the home states. Wisconsin, for example, has been buying flour from the state mill.

The revolution broke out October 3. On October 7, the American consul, acting in the name of the United States, was told that the revolution had broken out and that the new government would appear in Washington immediately.

The revolution broke out October 3. On October 7, the American consul, acting in the name of the United States, was told that the revolution had broken out and that the new government would appear in Washington immediately.

The revolution broke out October 3. On October 7, the American consul, acting in the name of the United States, was told that the revolution had broken out and that the new government would appear in Washington immediately.

The revolution broke out October 3. On October 7, the American consul, acting in the name of the United States, was told that the revolution had broken out and that the new government would appear in Washington immediately.

The revolution broke out October 3. On October 7, the American consul, acting in the name of the United States, was told that the revolution had broken out and that the new government would appear in Washington immediately.

The revolution broke out October 3. On October 7, the American consul, acting in the name of the United States, was told that the revolution had broken out and that the new government would appear in Washington immediately.

The revolution broke out October 3. On October 7, the American consul, acting in the name of the United States, was told that the revolution had broken out and that the new government would appear in Washington immediately.

The revolution broke out October 3. On October 7, the American consul, acting in the name of the United States, was told that the revolution had broken out and that the new government would appear in Washington immediately.

The revolution broke out October 3. On October 7, the American consul, acting in the name of the United States, was told that the revolution had broken out and that the new government would appear in Washington immediately.

The revolution broke out October 3. On October 7, the American consul, acting in the name of the United States, was told that the revolution had broken out and that the new government would appear in Washington immediately.

The revolution broke out October 3. On October 7, the American consul, acting in the name of the United States, was told that the revolution had broken out and that the new government would appear in Washington immediately.

The revolution broke out October 3. On October 7, the American consul, acting in the name of the United States, was told that the revolution had broken out and that the new government would appear in Washington immediately.

The revolution broke out October 3. On October 7, the American consul, acting in the name of the United States, was told that the revolution had broken out and that the new government would appear in Washington immediately.

The revolution broke out October 3. On October 7, the American consul, acting in the name of the United States, was told that the revolution had broken out and that the new government would appear in Washington immediately.

The revolution broke out October 3. On October 7, the American consul, acting in the name of the United States, was told that the revolution had broken out and that the new government would appear in Washington immediately.

The revolution broke out October 3. On October 7, the American consul, acting in the name of the United States, was told that the revolution had broken out and that the new government would appear in Washington immediately.

The revolution broke out October 3. On October 7, the American consul, acting in the name of the United States, was told that the revolution had broken out and that the new government would appear in Washington immediately.

The revolution broke out October 3. On October 7, the American consul, acting in the name of the United States, was told that the revolution had broken out and that the new government would appear in Washington immediately.

The revolution broke out October 3. On October 7, the American consul, acting in the name of the United States, was told that the revolution had broken out and that the new government would appear in Washington immediately.

The revolution broke out October 3. On October 7, the American consul, acting in the name of the United States, was told that the revolution had broken out and that the new government would appear in Washington immediately.

## APPEAL'S FEATURE DEPARTMENT

Harry W. Laidler, Editor

## Twenty Years of American "Diplomacy" With Nicaragua

### A Tale Kellogg Has Never Told

Has the United States respected the sovereignty of Nicaragua during the last decade or two? Has it supported only the governments desired by the Nicaraguan people, or has it tried to use this small Central American government as a pawn for the profit of American bankers? In view of its own conduct it is consistent for the United States to protest against the supposed action of Mexico in supplying arms to Dr. Sacasa?

The following brief summary of our relations with Nicaragua during the last twenty years tells the tale—a tale of which many Americans will feel nothing but shame: a tale which explains the growing suspicion in which the United States is being held in Central and South America.

1907 Under the guidance of the United States, delegates from the five Central American states met and drew up a series of conventions designed to promote unity in Central America. The most important of these agreements was the one providing for a central American Court of Justice, composed of five members, one from each state, to which all disputes would be referred until further notice. The United States, not a signatory to these conventions, began to take a hand in settling disputes.

In Nicaragua President Jose Santos Zelaya opposed the attempt of the United States to extend its control over Nicaragua by obtaining Fonseca Bay and a canal route, as well as attempts of American business men to establish themselves in a republic.

1909 A revolution against Zelaya broke out, financed by Adolfo Diaz, a local official of Bluefields at La Luz y Los Angeles Mining Company, an American corporation. The same Diaz, that the United States has lately recognized as President, Diaz was receiving a salary of \$1000 a year. Though he was not known to have other resources, he was in a position to advance \$600,000 in behalf of the revolution and eventually he repaid himself.

The revolution broke out October 3. On October 7, the American consul, acting in the name of the United States, was told that the revolution had broken out and that the new government would appear in Washington immediately.

The revolution broke out October 3. On October 7, the American consul, acting in the name of the United States, was told that the revolution had broken out and that the new government would appear in Washington immediately.

The revolution broke out October 3. On October 7, the American consul, acting in the name of the United States, was told that the revolution had broken out and that the new government would appear in Washington immediately.

The revolution broke out October 3. On October 7, the American consul, acting in the name of the United States, was told that the revolution had broken out and that the new government would appear in Washington immediately.

The revolution broke out October 3. On October 7, the American consul, acting in the name of the United States, was told that the revolution had broken out and that the new government would appear in Washington immediately.

The revolution broke out October 3. On October 7, the American consul, acting in the name of the United States, was told that the revolution had broken out and that the new government would appear in Washington immediately.

The revolution broke out October 3. On October 7, the American consul, acting in the name of the United States, was told that the revolution had broken out and that the new government would appear in Washington immediately.

The revolution broke out October 3. On October 7, the American consul, acting in the name of the United States, was told that the revolution had broken out and that the new government would appear in Washington immediately.

The revolution broke out October 3. On October 7, the American consul, acting in the name of the United States, was told that the revolution had broken out and that the new government would appear in Washington immediately.

The revolution broke out October 3. On October 7, the American consul, acting in the name of the United States, was told that the revolution had broken out and that the new government would appear in Washington immediately.

The revolution broke out October 3. On October 7, the American consul, acting in the name of the United States, was told that the revolution had broken out and that the new government would appear in Washington immediately.

The revolution broke out October 3. On October 7, the American consul, acting in the name of the United States, was told that the revolution had broken out and that the new government would appear in Washington immediately.

The revolution broke out October 3. On October 7, the American consul, acting in the name of the United States, was told that the revolution had broken out and that the new government would appear in Washington immediately.

The revolution broke out October 3. On October 7, the American consul, acting in the name of the United States, was told that the revolution had broken out and that the new government would appear in Washington immediately.

The revolution broke out October 3. On October 7, the American consul, acting in the name of the United States, was told that the revolution had broken out and that the new government would appear in Washington immediately.

The revolution broke out October 3. On October 7, the American consul, acting in the name of the United States, was told that the revolution had broken out and that the new government would appear in Washington immediately.

The revolution broke out October 3. On October 7, the American consul, acting in the name of the United States, was told that the revolution had broken out and that the new government would appear in Washington immediately.

The revolution broke out October 3. On October 7, the American consul, acting in the name of the United States, was told that the revolution had broken out and that the new government would appear in Washington immediately.

The revolution broke out October 3. On October 7, the American consul, acting in the name of the United States, was told that the revolution had broken out and that the new government would appear in Washington immediately.

The revolution broke out October 3. On October 7, the American consul, acting in the name of the United States, was told that the revolution had broken out and that the new government would appear in Washington immediately.

The revolution broke out October 3. On October 7, the American consul, acting in the name of the United States, was told that the revolution had broken out and that the new government would appear in Washington immediately.

The revolution broke out October 3. On October 7, the American consul, acting in the name of the United States, was told that the revolution had broken out and that the new government would appear in Washington immediately.

The revolution broke out October 3. On October 7, the American consul, acting in the name of the United States, was told that the revolution had broken out and that the new government would appear in Washington immediately.

The revolution broke out October 3. On October 7, the American consul, acting in the name of the United States, was told that the revolution had broken out and that the new government would appear in Washington immediately.

The revolution broke out October 3. On October 7, the American consul, acting in the name of the United States, was told that the revolution had broken out and that the new government would appear in Washington immediately.

The revolution broke out October 3. On October 7, the American consul, acting in the name of the United States, was told that the revolution had broken out and that the new government would appear in Washington immediately.

The revolution broke out October 3. On October 7, the American consul, acting in the name of the United States, was told that the revolution had broken out and that the new government would appear in Washington immediately.

October 24—Dawson advised the State Department that "a popular election is at present impracticable."

November 27—The Conservative Assembly elected Estrada and Diaz.

1911 Jan. 1—President Taft formally recognized the Estrada government.

The Dawson pact was for a while kept secret. When published by the liberal forces, it aroused great opposition.

February, 1911—The American minister cabled Secretary Knox that the "natural sentiment of an overwhelming majority of Nicaraguans is antagonistic to the United States."

March, 1911—The American minister wired that President Estrada was "being sustained solely by the moral effect of our support and the belief that we would unquestionably have that support in case of trouble."

April, 1911—The National Assembly, fearful of American domination, decided to adopt a constitution guaranteeing the independence of the republic and directed against foreign control through loans. This was opposed by American representatives.

When carried against his opposition, Estrada dissolved the assembly and called for new elections. This action led to protests and to the resignation of Estrada in favor of Diaz. Adolfo Diaz thus became president.

May 11, 1911—The American minister recognized the growing unpopularity of Diaz, wired the State Department that "a war vessel is necessary for its moral effect."

May 25, 1911—Wire from American minister of rumors of uprisings to defeat the loan. The liberals, he added, were "such a majority over the Conservatives" that he hastened to repeat the suggestion "as to the advisability of stationing permanently at least until the loan has been put through, a war vessel to Corinto."

June 8, 1911—The United States entered into the Knox-Castillo agreement with the American controlled government, providing for a loan of \$1,000,000 to Nicaragua by American bankers and control of Nicaraguan customs houses by the United States. Nicaragua pledged itself not to alter customs duties without Washington's consent and to submit financial reports to the State Department.

The State Department at the same time negotiated with Brown Brothers and J. and W. Seligman of New York, bankers, for floating the loan. The loan was for the purpose of liquidating claims against Nicaragua, establishing a bank to be administered by the American bankers, limiting the national railway, which they planned to control, and building a new railway upon their own terms.

The United States refused three separate times to ratify the Knox-Castillo convention, despite the special urgency of President Taft. The loan agreement therefore did not go through.

September 1, 1911—American bankers submitted another agreement to the Diaz government, which the government signed, under this agreement the loan bank was to be controlled by American bankers and control of Nicaraguan customs houses by the United States.

Brown Brothers and Seligman made a temporary loan of \$1,000,000 to Nicaragua. The bankers agreed to reorganize the National Bank, taking over 51 percent of the stock, \$1,400,000 of the money was to be used to reform currency, the balance was to be secured by a lien on the customs; to be collected by an American nominated by the bankers. It gave to the bankers the right to "solicit from the United States of America protection against violation of the present agreement and to aid in enforcing its execution."

The bankers were to submit disputes to arbitration by the Secretary of State of the United States. Secretary Knox had the American Charge d'Affaires keep the Nicaraguan legislature in session until the passage of the loan agreement, to ensure from the United States was continually brought to bear on the Nicaraguan legislature.

October 9, 1911—The Nicaraguan Assembly approved the loan contracts. A United States customs inspector recommended by the bankers was appointed.

The American government urged that the proposed new constitution be not adopted until after the arrival of the United States minister, as it did not approve of the clause by which customs authorities must be Nicaraguans.

1912 January 12, 1912—The assembly ordered the promulgation of the constitution and declared that the interference of the American Charge d'Affaires was an "insult to the national autonomy and honor of the assembly."

March 28, 1912—American bankers entered into another agreement for a supplementary loan on terms inconsistent with the sovereignty of Nicaragua.

July 29, 1912—Incensed at the un-Nicaraguan attitude of President Diaz, the liberals proclaimed a revolution.

August 15, 1912—Major Butler of the United States landed with 412 marines, in response to the demand of the banking interests for protection.

Later American battleships were sent to Nicaragua and 2,600 men, who proceeded to crush the revolution.

December 2, 1912—An election was held in which American marines guarded the polls. Diaz was declared elected for a term of four years.

Another loan was requested to pay for the expenses incurred during the revolution.

November 4, 1912—The new loan



# How The American Nation Is Being Militarized

## Editor's Note

Norman Thomas has been one of the outstanding leaders in the fight against militarism in the United States during the last dozen years. When the war broke out he was an influential minister in an immigrant section of New York. During the campaign of Morris Hillquit for mayor he came out in a great Madison Square meeting flat footed for peace and for socialism. He resigned his pulpit. He became editor of the *World Tomorrow* and, through his writings and his rare eloquence, worked day and night for the termination of the war and for a decent treatment for the conscientious objector. Later he became associate editor of the *NATION* and Executive Director of the League for Industrial Democracy. In 1924 he ran as a candidate for Governor on the Socialist ticket and, in 1925, for Mayor. On the occasion of the death of Eugene V. Debs, he was called upon to preside at the Debs Memorial Services in Terre Haute and in New York.

Read this article. Show it to your fellow workers. And pledge your self to renewed efforts against militarism and the system for profits of which militarism is but one of the hideous fruits. ("The Challenge of War" by Norman Thomas can be purchased from the League for Industrial Democracy, 70 Fifth Avenue, New York City at 10 cents a copy, 12 copies for \$1.00).

—Harry W. Laidler

**By Norman Thomas**  
(Executive Director, League for Industrial Democracy)

Everybody knows that we are a peaceful people. That is, everybody except what is left of the Indian tribes, the Mexicans, the Haitians, the Filipinos, the Nicaraguans, and Latin Americans generally, the Chinese and most of the other nations

in Europe, Asia and Africa which, by their recent writings, show that they do not understand that we are reluctantly arming in our own defense. To put the matter in less satiric form, no nation in the world today, outside of ourselves, believes us to be an essentially peaceful nation arming against possible attacks. Our neighbors may do us an injustice, yet it is to be feared that their conception of us is nearer right than the innocent assurance of a lot of plain American citizens that we are not and cannot be militarized.

## What is Militarism?

Militarism depends upon other things than the number of men under arms. Switzerland, for instance, may have an elaborate system of enrolling all her young men for training. The system may be wise or foolish. It is not dangerously militaristic because everybody knows that Switzerland cannot attack her more powerful neighbors and can only use her army for defense. The case is utterly different with us. We are the greatest power in the world. No other nation dreams of attacking us. Meanwhile we are pushing our empire relentlessly through the world. We are making the Caribbean an American lake. We are a continual menace to the peace of the Americas. Our gunboats are far up Chinese rivers. Force or threat of force is behind the American investments which increase at about the rate of a billion a year throughout the world. Is any wonder then that the nation is so different with us as still incline to see ourselves as amiable Uncle Sam with the most benevolent intentions toward all mankind?

## Our Increasing Army

The plain fact is that there has been a steady growth in our military and naval forces ever since "the war to end war" and that growth has been the inevitable accompaniment of our economic imperialism. I believe in disarmament. But it is un-

less or worse than useless to think that you can permit imperialism to grow and still disarm. The surprising thing is that our growth in military force has not been greater and that the demands of our big army and navy men have not borne more fruit.

Nevertheless our armed forces on land, to say nothing of our navy, are by no means inconspicuous. Outside of our regular army the National Guard and Reserves enroll 408,119 men according to the latest figures. Of these men 207,825 attended some summer training camps in 1926. These summer camps which are very important in our present military program have grown by leaps and bounds. In 1921 there were 12 Citizens' Military Training Camps. In 1926 there were 49 with a total attendance of 34,191. This is exclusive of National Guard camps and camps for the Reserve Officers Training Corps.

Baffled in their attempt to get universal military training in service after "the war to end war," the army officers turned to a very effective use of schools and colleges and summer camps to recruit the reserves. It is up to American Socialists to get training at an age when even the Kaiser let the German schoolboys alone.

More than half of these college and schoolboys—at least 60,000 of them—have no choice in the matter. They are required to take military drill or leave the college or college in which they are enrolled. This requirement is not the matter of a national law. Not even the so-called Land Grant

colleges are required by law to make military training compulsory. The compulsory feature is due to War Department pressure upon the schools and colleges. It is entirely opposed to the American tradition.

## "Baits and Bribes"

But compulsion is not the chief reliance of our militarists. They use, rather successfully, all sorts of baits and bribes in the shape of pay for college students who go on with military work and free vacations at attractive camps for young farmers, workers and professional men. In many of our colleges social prestige and even a certain sort of sex appeal are used. Thus, the prettiest girl in some of our institutions is made an honorary Captain or Colonel and passes out the awards to the crack company at Commencement time with an appropriate tribute to the brave defenders of womanhood. And no one dares shout "Applesauce!" Meanwhile, parents, friends, and labor leaders are told that of course the purpose of all this military training is just to make good, healthy citizens. And they fall for it. Thus, we have President Green and other labor leaders on record as enthusiastic endorsers of Plattburg Camp.

## The Military Ideal

What was it that President Green endorsed? A healthy reaction to the young men who have military training for strictly defensive purposes? He may have thought so, but that is never the idea of the War Department. It is quite true that neither the training in the colleges nor the summer camps make accomplished soldiers. It does something which from a military view is more important. It teaches the young men to accept the military ideal. They may not like it even in its sugar coated form. But a man who has worn the uniform and enjoyed the privileges of a summer vacation without pay is a very extraordinary fellow if when the summons comes for war he does not fall in line. He does not need to

like the war system. He merely needs to accept it. To this end the teaching of the Military Manuals is directed. Here, for instance, are quotations taken from the Manual in the University of Nebraska:

"In this world of ours force is the ultimate power." (Vol. IV, Page 207.)

"The mainsprings of human action are self-preservation and self-interest, in a word, selfishness—the touch of nature which makes the whole world kin." (Page 208.)

"We may well ponder whether, if selfishness, ambition, competition and strife were to be removed from the world, we should not fall into a most intolerable state of stagnation." (Page 365.)

"During the course of a great war every government, whatever its previous form, should become a despotism." (Page 284.)

"An armistice should never be granted at the instance of a defeated foe." (Page 255.)

## "To Keep Labor in Order"

Labor, to its credit, stands against the compulsory teaching of this doctrine. Why, in the name of all that is reasonable, should labor leaders recommend it when it is not compulsory? The spirit of labor and the spirit of militarism have nothing in common. When the A. F. of L. hobnobbed with the army it is the army that wins! One of our belligerent Rear Admirals (retired), in a debate with me at Yale University calmly and frankly admitted that one purpose of our military training was to keep labor in order. And it is this program which President Green has endorsed in one of its most significant items.

## Why Oppose Military Training?

I have not space to give all the arguments against military training. Its alleged advantages in health and discipline can be far better imparted in colleges and in camps under methods which leave out the mental and physical goose-step inevitably connected with military drill. We can give our boys a healthy and valuable vacation without teaching them that unquestioning obedience in that form of wholesale murder which we call war is the supreme duty of the citizen.

Along with the military training goes the steady propaganda of an unreflective nationalism and a rampant militarism. Lovers of peace are attacked by so-called patriotic societies, with what appears to be the connivance of the War Department, as if they were enemies of mankind. An editorial, apparently inspired by the War Department, in eulogy of summer camps, appeared in more than one hundred clippings which I have seen. It results that "the nation still is filled with fit to fight manhood and, perhaps better still, with manhood that is willing to fight." Is it any wonder that other nations suspect our love of peace and that our program of military training has been made a precedent for Germany and Japan? Is this the way to security or peace?

The appearance of military training in our colleges is not merely evil in itself. It contains a direct threat to academic liberty. Again it is lack of space which keeps me from reciting instances after instance where directly or indirectly the military department of a university or college has usurped the natural functions of the faculty, censored discussion, and otherwise sought to subvert institutions which ought to be the free republics of eager seekers after truth to the autocracy of an ill-informed militarism.

## The Situation Today

Let us rapidly review the situation in America today. Economic imperialism is rampant. At any moment some untoward event in Mexico may set in train events that lead to war. The espionage laws are on the statute books ready for use in time of national emergency. The hypocritical guise of urging that wealth be not allowed to exempt the next war a bill is now pending before Congress which seeks to "control" wealth, but absolutely "control" all workers in the event of war. Meanwhile the arrival of the great emergency our chosen young men are being taught to accept, if not to like, the war system with its cynical view of the possibilities of international cooperation and peace. Labor's progress is menaced as well as the hope of peace. Munitions factories have been formed not to train soldiers in the field but to manage industry. As Assistant Secretary of War MacNider told the great open shop organization, the National Association of Manufacturers, the graduate of this Munitions Battalion will always think of industry in relation to the army's problems. Labor men who want to think of industry in terms of human problems see in such a boast a menace to all our hopes.

Such is militarism in its American form. Who will fight it? How long will the farmers and workers be fooled into acquiescence or partial approval? Today American militarism menaces the poor folk of Nicaragua and Mexico. Tomorrow it will menace our own sons and brothers. Military training, as a labor leader approvingly told me, may teach the boys "to walk straight," but at the last the spirit of militarism and imperialism, twin demons now abroad in our land, can only teach our obedient boys to walk straight along the road that leads to a literal hell.

## Farmer Presents Plan for Inauguration of Socialism

**By James H. Job**  
(Reelville, Indiana)

The Appeal has received a very interesting and stimulating reply from H. Job of Reelville, Ind., in reply to the Appeal's treatment of a recent article of Comrade Job's on the farmer problem. The Appeal gladly reproduces his somewhat lengthy article in part.

In the first part of it Comrade Job very vigorously and justly pans the Appeal editor in reply to a paning he received from the Appeal.

What Comrade Job says convinces us that he is a dirt farmer and has made a considerable study of Socialism.

"Public ownership of public utilities, and in fact all natural resources is the first step in the direction of a Socialist regime," he correctly states. "These things must be controlled so we can have political and industrial democracy."

"But so far as we know," says Mr. Job, "no man has ever told us by what method we are to enter into the ramifications in the work of adjusting wages of employees and prices of the finished products so as to get them on a parity with each other. In other words, must know how, or by what mode of action to keep all who are willing and able to work, busy, and at the same time cause the products of labor to flow automatically from one labor group to another on equitable terms. This is our problem, and the people must know how to understand it, if we are to enlist them with us at the polls."

In reply to this latter point, the Appeal editor would like to remind Comrade Job that one of the basic principles of Socialism is that the labor cost of the product plus social and industrial upkeep shall constitute the price of commodities. Marx and the classical Socialist writers pointed this basic principle out long ago and showed convincingly how products would flow between labor groups on equitable terms. As to the exact details, it is not possible to exhaust them and at the same time stand for full democracy. Only experience and the will of the people directly involved can work out the details of any democratic system. The general Socialist principles governing compensation, cost, price and other phases of distribution have been sufficiently convincing to win the majority in some countries, the largest party in others and the second largest party in many.

Mr. Job next states that the Appeal failed to present definite program by which agriculture can be lifted out of blind competition in production and in the world markets through democratic organization.

We believe John M. Work's article indicated at least an important part of such a program—viz; by the establishing of publicly owned storage and finishing facilities for the farmers such as warehouses, elevators, etc., supplemented, of course, by railroads owned by the people and a banking and credit system owned by the people and operating for the people at cost, with adequate facilities for the farmers to be provided at cost together with adequate credit at a rate of interest representing only cost of operation, the farmers would not be under the necessity of dumping their products on the market in blind competition with each other. There is no reason why with such facilities an industrial democracy could not store and control the flow of farm products that farmers would realize a price based upon the cost of production in comparison with all other branches of labor.

Mr. Work also mentioned the co-operative organization of the farm-

ers' cooperative organization of farmers and all other producers will exist under Socialism. It will guarantee each class of producers equitable power and compensation. With public ownership and cooperation extended throughout the world, the farmer's problem will disappear. Democratic organization and its proper control of supply and its demand will control and regulate production and surpluses and PERMIT THE REALIZATION OF THE COST OF PRODUCTION.

Mr. Job states that the failure of the Socialists of Italy "was due to the lack of plain, practical method of starting and keeping in motion the wheels of industry and an executive head to make their theory function."

The Socialists of Italy never held as much as a third of the seats in parliament at any time—153 seats was their maximum. They never had a chance to apply their theories, but they were gaining ground so rapidly that Mussolini organized Fascism expressly to keep them from having that chance. They were crushed not because they were failures but because they were succeeding so rapidly that the reactionaries threw law and democracy overboard and grabbed their guns to keep them from succeeding completely.

Mr. Job denies that he is opposed to public ownership of the railroads, the banks or the trusts. Well, his first article sounded as though he jumped on John M. Work for advocating these things. We are mighty glad Mr. Job is with us on these important questions.

Comrade Job says that for 30 years he has been instrumental in announcing a great many Socialist speakers in his country, and has on several occasions paid the entire expenses of these meetings. He has asked many of these speakers "to discuss Socialism from the farmer's standpoint, in other words, I want you to tell the people how it would be with us farmers under a Socialist regime. To my disappointment they failed to do so, and it is for this reason that farmers have been slow to vote the Socialist ticket."

Upon this point we thoroughly agree with Comrade Job. We believe

he has pointed out a real weakness in Socialist propaganda. The message has not been carried to the farmer in an understandable way in his own language. A beginning is being made now in Great Britain, Australia and a few other countries. It is up to American Socialists to fall in line, and we hope the Socialist farmers will continue to sting us until we do.

Comrade Job criticizes Representative Victor L. Berger for voting against the Haugen bill and presents the following plan for the consideration of Socialists:

"Please allow me, briefly to present what I have to offer as a program or method by which to inaugurate or effect a socialist regime. It is as follows: I would create a great national sales corporation which would automatically control and regulate all the basic commodities, such as coal, iron and steel products, cotton, wheat, potatoes and corn, and such other labor products as necessity might require. THAT MIGHT BE OFFERED FOR SALE. And sell them as the demand calls for them at a fixed minimum price BASED ON COST OF PRODUCTION."

"I would place all classes of laborers on a common level by adopting the hour as the measuring unit in determining the exchange value of all commodities and wages of employees at \$7.00 an hour. There is every line of work. Wages and commodity prices would be determined by a board of arbitration, the personnel of which would be the chosen representatives of all the labor groups interested or represented in the corporation or pool."

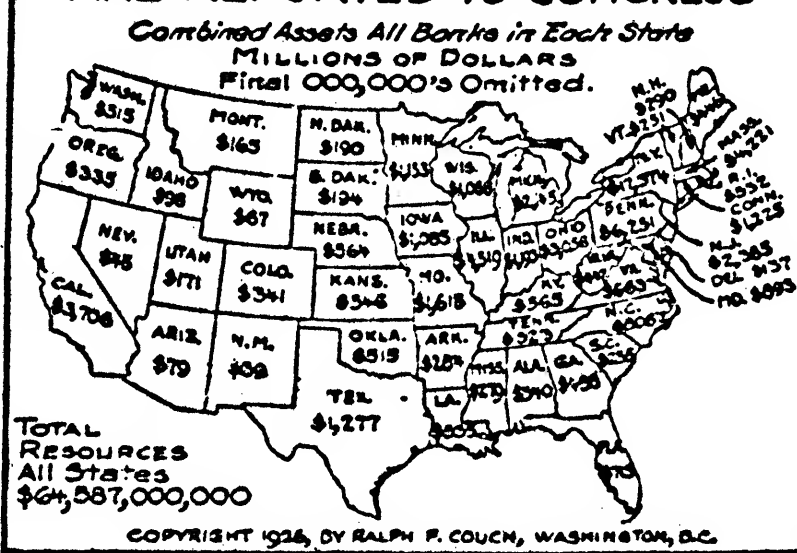
"As a means by which to AUTOMATICALLY adjust production to consumption, I would lay the burden of carrying over any surplus which might appear on the shoulders of the group that produced it. Such a plan would serve to stimulate production to the consumer limit, and at the same time AUTOMATICALLY adjust production to consumption. Now then."

"I invite criticism and further discussion of this great question. We must face the undeniable fact that this is an age of INDUSTRIAL ADJUSTMENT, ORGANIZATION AND PRICE-FIXING. Editor, please tell us how you would do it."

describes the "hunts" of that monster who fled his country in time of direct need. I quote: "happier than at Court was the Emperor at the chase. Eulenburg, so frequently present, says that 'the hunts were horrible. This massacre of unfortunate creatures, utterly unable to escape from their fate, is no kindly recreation. Strangely enough, no one at Court seems to realize that it adds nothing to the glory of a sovereign to cause these hapless wild creatures to be driven into a great enclosure in the center of which the noble sportsmen are posted, pouring out their shots on the panting, desperate brutes as they hurl themselves over and again against the farthest hedge; and this never stops until all are dead or dragging, mortally wounded, on the ground and at the end of the day are put out of their misery.'"

As numbers were the sole aim and the game was driven up to the mouth of the gun the Emperor, on three December days with Prince Donnersmarck, could proclaim his one-thousand-six-hundred-and-seventy fifth head, and in his forty-third year cause to be inscribed in golden letters on a block of granite: "Here His Majesty William II brought down

## BANK RESOURCES IN STATES ARE REPORTED TO CONGRESS



## America's Money Kings Own Sixty-Five Billions

This map depicts the results of a current report to Congress of the stupendous bank resources of the United States.

The banks of the United States own the almost unbelievable total of \$64,587,000,000—nearly \$65 billion dollars!

It is ten times as much real money as exists in the United States—in other words, every actual dollar in the United States is doing 10 shifts a day drawing interest for the bankers.

Before this colossal power, nothing can stand, if the present system endures long. As a cumulative force by virtue of the interest-drawing power it will soon overwhelm and

own the whole system.

The colossal power behind American imperialism.

Not only is its cumulative power irresistible, but it is centralizing in a most appalling manner.

The banks of New York state have \$17,374,000,000 in resources—more than a fourth of all the bank resources in the United States.

New York, Pennsylvania, Illinois and Massachusetts have together almost half the bank resources in America.

The only remedy is for the people to democratically own and administer the banking system in the interest of all.

His fifty-thousandth animal, a white cock-pheasant."

These quotations about the manner in which royalty hunts show clearly the blood lust—a love of killing defenseless creatures—that underlies that sending a few million boys and young men to be "cannon fodder" caused no moral compunction in their "royal" souls.

I have noticed in my readings in history and biography that the really great men who have led the world's great movements for human freedom have always shown a consideration for the sufferings of their speechless neighbors. Remember the story of Lincoln rescuing the pig mired down, even though he had on his Sunday clothes.

There is a brutal instinct in the lives of some men and women that is satisfied only by the shedding of blood. It is a form of degeneracy that goes back to savagery. It means nothing to such people that animals or human beings suffer.

already been President on several occasions in the past, and we have helped to put him there, and each time he has had the job he has promptly fallen out of it. But he is no man.

Of Mexico's right to recognize the Sacaca government the remarks:

"Mexico held that the Nicaraguan Congress had no right to act in the absence of Sacaca when Sacaca was absent at a bayonet's point; and when Sacaca returned (and we broke out again) Mexico continued to accord recognition to the Sacaca Government. That is at least as good an interpretation of the law as our own interpretation, and in some ways better—Sacaca being the popular choice of the people of Nicaragua in a free election."

"Mexico had every right under international law to recognize the Sacaca Government. Mexico, having recognized the Sacaca Government, had every right under international law to sell munitions to the Sacaca Government if Mexico so chose. We accuse Mexico only of furive gun running to Nicaragua, a boat-load here, a boat-load there, naval reserve officers commanding the ship 'in at least one instance.' But Mexico, having recognized the Sacaca Government, was quite as much entitled under international law not to impose an arms embargo which hurt Sacaca as we are now not to impose an arms embargo which hurts Diaz. Granted that at least equally reasonable premise which Mexico has adopted, it is Diaz who is the outlaw and the United States which is playing the rule of arms runner to a revolutionary Government which disturbs the peace. We are indeed provincial if we do not recognize that the Latin American press has raised that point against us."

H. W. L.

20 Years Diplomacy With Nicaraguans

(Continued from page 3)

Regarding the recognition of the Diaz government, the United States, the World declares:

"The real explanation, which introduces factors more substantial than questions of constitutionality, is that Diaz is our man, has always been our man, and is officially relied upon all ways to remain our man. Diaz is the protector of American trade interests and the go-getter for the bankers. He is the upholder of the financial plan which Mr. Cofield admits was settled upon Nicaragua without benefit of treaty but which is now paying dividends outside of Nicaragua. To be sure, Diaz has

## Huge Dividends Mark New Power of Finance

The rapid advance of bankers' prosperity and bankers' dividends is one of the most significant and sinister developments of our time. It marks the swing of power and profit-taking over to a very small class which can dominate the world and strangle nations merely by monopolizing the circulation medium and inflating and deflating it to suit their plundering purposes. It marks the most dangerous development of this epoch, marking a far greater centralization of economic power and a greater power to extort and rob than is possible to merely industrial owners.

The dizzy power of American high finance in the financial capital of America—New York City—is brought out strikingly in the following facts compiled by Leland Olds:

Thirty-five New York City banks and trust companies, which dominate the credit institutions of America, raked off dividends to the tune of \$76,415,000, or 19.6 per cent on their combined total capitalization, according to the Wall Street Journal.

More than half of this dividend rakeoff went to the owners of 6 giants—the National City bank, First National Bank, Chase National, National Bank of Commerce, Bankers Trust and the Central Union Trust Co. If we include Equitable Trust and Guaranty Trust we have 8 financial institutions disbursing \$45,200,000 in cash or about 60 percent of all the dividends paid by the banks and trust companies included in the tabulation. These are the backbone of the Morgan-Kuhn-Loeb-Rockefeller money power which dominates the country.

The National City and First National banks lead with \$10,000,000 in cash dividends apiece. The National City represents the Rockefeller Standard Oil interests. The First National is J. P. Morgan. The First National dividends are 100 percent of the par value of the stock.

The enormous dividends these banks are making have boosted the market value of their securities to many times the sums originally invested. The stock of Morgan's First National bank with a par value of \$10,000,000 now has a market value of \$28,000,000 or 280 per cent the original investment. Each \$1000 put into this bank as capital is now worth \$28,000 and is paying \$1000 a year in cash dividends.

National City stock with a par value of \$50,000,000 has a market value of \$150,000,000 or 300 per cent the original investment. Chase National stock with a par value of \$40,000,000 has a market value of \$120,000,000 or 300 per cent the original investment. Bankers Trust with a par value of \$20,000,000 has a market value of \$60,000,000 or 300 per cent the original investment. Central Union Trust with a par value of \$12,500,000 has a market value of \$37,500,000 or 300 per cent the original investment.

These institutions control the country's credit. Credit is essential to modern economic life. Consequently the bankers' power to levy tribute is only limited by their interest in not killing the goose that lays the golden eggs.

Striking proof of the soundness of basic Socialist contentions of the trend of industry has been furnished by the United States government in a partial survey of industrial plants covering the years 1924 and 1925.

Every two years the United States Bureau of Economic Census makes a survey. Its investigations are far more striking proofs that (1) industry is concentrating into fewer and bigger plants. (2) The increased application of improved machinery connected with this concentration is displacing labor—making the unemployment problem more acute. (3) Regardless of what wages the worker is getting, THE CAPITALIST IS GETTING AN EVER LARGER AND LARGER SHARE OF THE PRODUCT.

Gilbert E. Hyatt in Labor, Washington, D. C., says:

In the two years between 1923 and 1925 the number of establishments decreased from 28,513, to 26,878. The number of wage earners decreased from 1,722,398 to 1,680,971.

The total of wages paid decreased from \$2,295,367,004 to \$2,293,897,389. It will be noted that the decrease in wages was something less than \$5,000,000. That is not a very high percentage, but it is significant that it was a decrease instead of an increase.

Gulf Between Wages and Profits

When we come to the "value added by manufacture," we find that the total for 1923 was \$5,437,764,860 and for 1925, \$5,817,955,065.

Or an increase of \$380,000,000

Putting it another way, we are entirely accurate in saying that during the two years the compensation received by the workers decreased

\$5,000,000, while the employers' profits went up \$380,000,000, a gain for the employers of \$385,000,000.

The figures also show that the output per worker increased from \$31.17 in 1923 to \$34.41 in 1925. That is an increase per worker of \$3.24.

During the same period, the workers who had their wages increased an average of \$31 a year.

In other words, for every dollar paid out in increased wages, the employer added nearly \$10 to the price of his product at the door of the factory.

The Bureau has not completed its survey. It has touched approximately 160 out of 324 lines of manufacturing. Probably not much more than a fourth of the story has been told. The survey covers a sufficiently broad field, however, to establish the general trend.

Cost of Raw Material Goes Up

While the labor cost of manufacture was dropping, the cost of raw materials was going up. This item shows an increase of \$407,380,616 in the industries so far investigated. However, that item has been considered in the estimate of the increased profits of the manufacturers given above.

As a matter of fact, the total increase in the price of goods at the door of the factory was \$787,459,828. After allowing for the increase in the cost of raw materials, the manufacturer in 1925 still had \$380,190,000 more than he had at the end of 1923.

The average wage paid the worker was \$1,334 in 1923 and \$1,365 in 1925. According to all cost of living calculations made by responsible authorities, this was less than a living